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7 May 1959

CURRENT INTELLIGENCE WEEKLY SUMMARY



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T H E W E E K I N B R I E F

PART I

OF IMMEDIATE INTEREST

EAST-WEST NEGOTIATIONS Page 1

Soviet statements on East-West negotiations give no indication of willingness to compromise on fundamental issues, and attempt to increase pressures in the West toward an accommodation with Moscow's position. The Soviet foreign minister at the conference in Geneva can be expected to employ tactics designed to emphasize the possibility of real agreement only at a summit conference, hoping thereby to ensure Western acceptance of a subsequent meeting at that level. Moscow, which has consistently ruled out German reunification as a topic for discussion, continues to denounce the Western concept of a "package plan" to be presented at Geneva. East German officials, still trying to bring West Germany into bilateral talks, are optimistic that their presence in Geneva--whatever status they may be given--will provide them with opportunities to enhance their regime's prestige.

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MIDDLE EAST HIGHLIGHTS Page 3

The Qasim government at the end of April instituted a widespread purge of senior Iraqi Army officers, reducing further the ability of the army leadership to oppose the growth of Communist power. Dissident Kurdish tribesmen in northeastern Iraq continue to resist government security forces. The UAR may try to exploit the disorders by stepping up border harassment in northwest Iraq. Qasim may reshuffle his cabinet this month to include for the first time avowed Communist party members.

In Jordan, King Husayn's appointment of Hazza Majalli to form a new cabinet appears to tie the King more closely to the militant Bedouin minority which dominates the army, the King's principal support. Soviet-Iranian relations are steadily deteriorating because of Moscow's increasingly hostile propaganda broadcasts attacking the Shah and his regime.

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TIBET Page 6

Peiping has issued a lengthy rebuttal of Nehru's statements on Tibet. The Chinese call for an end to mutual recriminations but state that any new Indian criticisms

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THE WEEK IN BRIEF

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PART I (continued)

will be answered. Nehru, while irritated by Peiping's recent attacks on New Delhi, has attempted to ease the tension between China and India.

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PART II

NOTES AND COMMENTS

MAY DAY CELEBRATIONS IN THE SINO-SOVIET BLOC Page 1

May Day celebrations in the Sino-Soviet bloc this year played down the military theme. The parade in Moscow included only a brief military display, and no new equipment was shown. East Germany was the only satellite to feature a military parade.

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USSR COLLECTIVE FARM UNION PROPOSAL GAINING FAVOR Page 2

Proposals for forming associations of collective farms continue to receive publicity in the Soviet press. The idea of collective-farm unions has been linked to proposals for reorganizing the Ministry of Agriculture and the administration of the Repair and Technical Stations. The postponement of the USSR's third collective farmers' congress--originally proposed for early this year--may indicate that important changes are being contemplated in the organization of agriculture.

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POLISH REGIME MAY SEEK CONTROL OF AGRICULTURAL ASSOCIATIONS Page 3

The Gomulka regime appears ready to attempt to gain control of the self-governing, cooperative agricultural associations. By doing so, Gomulka will have acquired a useful instrument for the ultimate socialization of Polish agriculture.

TITO ENCOURAGES UAR AND INDIA TO OPPOSE BLOC Page 4

Yugoslavia has been encouraging the UAR and India to take a stronger and more effective stand against Communist bloc policies. Belgrade is believed to have urged Cairo, apparently with some effect, to focus the campaign against the Arab Communists on Soviet imperialism rather than on ideology.

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PART II (continued)

INDIA SPEEDS UP DEVELOPMENT OF OIL RESOURCES Page 5

The Indian Government is seeking to reduce the \$200,000,000 annual cost of importing oil by speeding up the development of the country's own resources. An Indo-British company has been formed to exploit new oil resources, and the British have made new offers to lend money for the construction of two pipelines. The Soviet bloc is attempting to increase its role in India's petroleum development program; New Delhi apparently has decided to accept an offer from Moscow to construct a large refinery.

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SOUTH KOREAN GOVERNMENT REPRESSING OPPOSITION Page 8

Waning popular support for the South Korean majority Liberal party and the Rhee administration has convinced many Liberals that strong measures are necessary to assure President Rhee's re-election in 1960. Suppression of the pro-opposition Kyonghyang Sinmun, South Korea's second largest newspaper, is the latest in a series of government measures calculated to silence criticism of the administration. There are indications that further anti-opposition measures are being planned.

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COALITION OF PHILIPPINE OPPOSITION PARTIES Page 9

The coalition formed by the Philippine opposition Liberal and Progressive parties significantly enhances their prospects for gains in the November mid-term elections at the expense of the ruling Nacionalista party.

[redacted] the two parties are to merge by June 1960; this move is aimed at defeating the Garcia administration in 1961. The new grouping, however, faces problems of internal discipline as well as the advantages enjoyed by the well-entrenched Nacionalista party machine.

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PART II (continued)

PROSPECTS FOR ALGERIAN REBELS Page 9

Algerian rebel leaders are concerned over recent military reverses, which jeopardize their hopes of wearing down France's determination to bring the war to a successful conclusion. Rebel offensive activity in Algeria has lately been limited to terrorism and hit-and-run raids against towns and small French units.

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MOUNTING INTERNAL PROBLEMS IN GUINEA Page 10

Serious economic and administrative problems in Guinea offer the Sino-Soviet bloc opportunities to gain an influential position in this new West African republic. President Sekou Touré and other government leaders are eager to accept gifts from any source, and they consider that offers of aid will demonstrate who are Guinea's real friends.

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FRENCH-SPANISH RAPPROCHEMENT Page 11

A recent series of talks between French and Spanish officials and Paris' public espousal of NATO membership for Spain suggest that a French-Spanish rapprochement comparable to that between France and Germany may be developing. De Gaulle apparently wants to fill what he regards as a gap in French-African lines of communication and also hopes Spain will support his broader plans for strengthening the French position in Africa.

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THE PANAMANIAN SITUATION Page 13

The immediate response of the Organization of American States to the Panamanian Government's request for assistance against a hostile landing has removed a serious threat to the unstable De la Guardia administration. Political maneuverings among factions of the governing oligarchy are likely to recur, however, and extremist student groups may try to provoke the government and National Guard into unpopular repressive measures.

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PART II (continued)

COMMUNISTS IN CUBAN LABOR Page 14

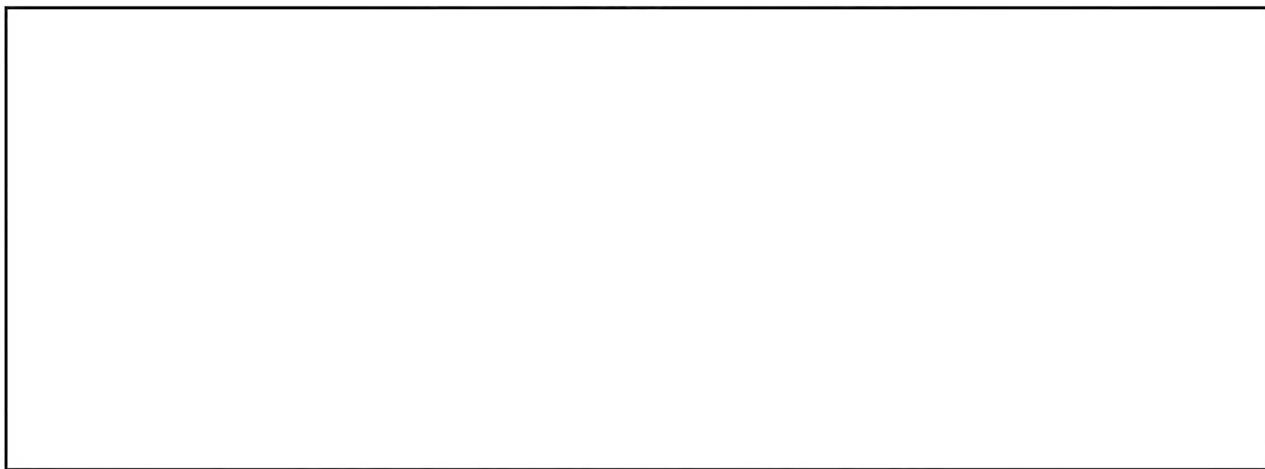
The Cuban Communists' effort to gain control of organized labor is meeting with some success, especially at the local level. Communists helped organize the May Day celebrations, but kept in the background themselves. They now are advocating a workers' militia and are being supported in this project by Major "Che" Guevara, a top Castro adviser whose actions have frequently aided the Communists in the past.

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PART III

PATTERNS AND PERSPECTIVES

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WESTERN EUROPEAN ATTITUDES ON BERLIN AND EAST-WEST
NEGOTIATIONS Page 4

On the eve of the 11 May foreign ministers' conference, prevailing Western European opinion endorses holding firmly to West Berlin. This support of the official stand seems predicated, however, on the belief that war is not likely; a hardening of the Soviet position could lead to a change in attitude. In contrast to the public support most European governments enjoy for their varying approaches, a divergence is apparent between Chancellor Adenauer and the West German public on key features of the Berlin question and unification.

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ASIAN RESPONSES TO THE TIBETAN CRISIS Page 7

Communist China's suppression of the Tibetan revolt has sparked condemnation throughout free Asia, but few Asian governments have felt free to denounce Peiping's policies officially. Protests have been vigorous on the

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PART III (continued)

popular level, however. Leaders of opinion, including ecclesiastical groups, have described the Chinese action as aggressive and as imperialistic suppression of religious freedom and of a nationalist movement. Only Premier Bandaranaike of Ceylon, who says reports of the violence are exaggerated, has formally declared the problem to be a Chinese domestic issue. The UAR Ministry of Information declared Peiping guilty of aggression.

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SATELLITES ACCELERATE PACE OF "BUILDING SOCIALISM" Page 11

All the East European satellite regimes except Poland have in varying degrees stepped up the pace of political and economic activity in response to the call of the Soviet 21st party congress for an acceleration in the "building of socialism." The increased pace will probably heighten tensions in some of these countries, but there is little danger that events will get out of hand, as they did in Poland and Hungary in 1956. Poland's moderate internal course stands in many respects in sharp contrast to those of the rest of the bloc, and pressures on Warsaw to conform with the other bloc countries in internal policy will probably increase in the next few years.

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PART I

OF IMMEDIATE INTEREST

EAST-WEST NEGOTIATIONS

Soviet statements on the eve of East-West negotiations give no indication of any willingness to compromise on fundamental issues and attempt to increase pressures in the West for an accommodation with Moscow's position. Khrushchev, who has consistently ruled out German reunification as a topic for discussion, again denounced the Western concept of a "package plan" to be presented at Geneva. At the same time the USSR is preparing the ground for blaming the West if negotiations fail.

Ambassador Thompson believes that the USSR, in an effort at Geneva to ensure that a summit meeting takes place, may endeavor to demonstrate reasonableness by reaching agreement on some specific subject. The most likely items, he feels, would be either the Berlin question or atomic-testing prohibition. But it is also possible, he says, that Moscow might propose some far-reaching scheme which would be full of pitfalls from the Western point of view but which would contain sufficient attractive provisions that the West could scarcely refuse to discuss it at the summit.

Field Marshal Montgomery stated at a private dinner in Moscow on 30 April that the Soviet premier had strongly reasserted in their 29 April conversation the need to settle immediately the "ripe" questions of Berlin and a German peace treaty. Khrushchev particularly emphasized that if the West would not agree to a peace treaty, the Soviet Union would con-

clude a separate treaty with East Germany. He added, "If this would lead to war, then the Soviet Union will accept its destiny."

Montgomery replied that if war resulted from this dangerous situation created by the USSR, "the West would not flinch." He urged Khrushchev to postpone precipitate action on a separate peace treaty and concentrate on a negotiated settlement of Berlin's status, but the Soviet premier was adamant and said that, at any rate, he would have to consult his government on Montgomery's suggestions.

During the second interview with Montgomery on 30 April, in line with the USSR's efforts to demonstrate its "reasonableness," Khrushchev asserted he had come to the conclusion that Montgomery was correct, and he implied that he would not rush the conclusion of a separate peace treaty with East Germany. The Soviet leader may hope that by thus implying to Montgomery that his visit has caused the USSR to moderate its course, the latter will, in future statements, serve to strengthen the belief in some Western circles, notably in Britain, that there are good chances for successful negotiations with the USSR on the heads-of-government level.

In a conversation with Ambassador Thompson on 4 May, Khrushchev remarked that Secretary Dulles in the last year or so had followed a "much sounder policy" and had shown himself flexible and realistic. The Soviet leader said he had been

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particularly impressed by the secretary's remark at a January press conference that free elections were not the only way to reunify Germany, and he concluded by saying he thought there were real possibilities of working out an understanding.

Khrushchev is exerting further pressure on the West to consent, even before the start of negotiations, to break up its package proposal to be presented at Geneva. The Soviet premier repeated on 5 May that the USSR could not agree to link a solution of the Berlin and German peace treaty issues with that of European security. In an interview with a delegation of West German Socialist editors, Khrushchev summed up Moscow's position on Berlin and Germany. He said the speedy convocation of a heads-of-government conference is desirable even if the foreign ministers "fail to produce any remarkable progress." Khrushchev also said he stood by his remarks made in Leipzig in early March regarding the possibility of postponing the 27 May deadline and would take no action to transfer access controls to the East German regime as long as a summit meeting is in prospect.

While attempting to give the appearance of wishing to avoid any action which might jeopardize the chances of success of the foreign ministers' meeting, the USSR continues to

charge the West with provocative actions designed to "complicate" or "wreck" the talks. Soviet propaganda has stated that if the negotiations end in failure, the West will be to blame. The Soviet note of 28 April to Italy and the note verbale to Turkey protesting their continuing nuclear defense build-up under NATO, as well as the latest note to the United States--28 April--on high-altitude flights in the Berlin air corridor, serve to keep these issues alive and build a record of alleged Western bad faith on the eve of negotiations.

East German spokesmen are underlining the necessity of signing a peace treaty before German reunification can be discussed but are continuing efforts--addressed primarily to Social Democratic party (SPD) left-wing elements in West Germany--to bring the West Germans into bilateral talks with East Germany. Premier Grotewohl on 3 May told a national front council meeting, "It is better for the Germans to make one attempt, or ten attempts, at confederation than to prepare for another war." He added that in any negotiations for confederation, both sides must have equal representation.

East German officials are optimistic that their presence at Geneva will provide them with opportunities to enhance their regime's prestige.

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The East Germans reportedly intend to make contact with members of the West German delegation through personal invitations and at functions where members of both German groups are present. East Germany reportedly hopes after the conference to establish official contacts with at least 20 countries, mostly outside the bloc, and party officials are said to be staging a recruiting campaign to build up the regime's diplomatic service.

The regime recently has shaken up its West Berlin party organization in an effort to increase its efficiency, which has been exceedingly low, and it has placed at its head a

specialist in agitation work who has worked with the now-outlawed West German Communist party. The East Berlin party organization reportedly has no directives on the line to be taken toward West Berlin, but it has been instructed to avoid its former emphasis on claims that West Berlin is a part of East Germany. Other information also indicates that the party is marking time on the Berlin issue, in the absence of specific orders from Moscow.

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MIDDLE EAST HIGHLIGHTS

Iraq

The Qasim government in Iraq at the end of April instituted a widespread purge of senior army officers which could severely reduce the ability of the army leadership to resist further growth of Communist power in Iraq. Some 188 officers of the rank of lieutenant colonel or above were retired. The attrition among senior officers is all the more serious because of the previous retirement or arrest of others as a result of the 14 July coup and subsequent abortive UAR-backed conspiracies.

The purge of senior officers—who as a group have had most of the army's foreign contacts through service schools, training, and liaison—may have been undertaken by Qasim on the grounds of the presumed high

number of potentially disaffected officers in the higher grades. Qasim may also feel that the opportunities given junior officers as a result of the purge would encourage their loyalty to him.

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Iraq has lost the capacity to organize and train an army as a result of the depletion of senior officers. The decimated officer corps is now faced with the task of running an expanding army—planned for enlargement from about three and a half to six divisions since the July coup—while at the same time leading the Popular Resistance Forces (PRF), running the military government, and participating in the civil administration.

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The PRF commander in southern Iraq continues to assert considerable authority vis-a-vis local military commanders in that region. In a proclamation to the inhabitants of Basra on 2 May, the PRF commander restated the broad scope of internal security responsibility now exercised by "permanent" PRF personnel. These duties clearly duplicate the functions normally performed by local police and gendarmerie forces.

The proclamation also called for special efforts by the PRF against foreign agents, saboteurs, and "people who bear grudges"--an invitation to wage a campaign of intimidation and terror against enemies of the regime. The PRF in the Basra area appears to constitute the real authority, and local Communist-led street mobs have shown an ability to defy police and army authority.

Baghdad's efforts to assert its authority over dissident Kurdish tribesmen in northeastern Iraq, near the Iranian-Turkish borders, have apparently encountered resistance. Allegations that in some instances tribesmen from Turkey and Iraq are involved have apparently strengthened Baghdad's suspicion that the trouble is the result of intervention by foreign nations, including the United States. Charges to this effect have been publicly aired by Baghdad.

The unrest in the northeast sector is continuing.

The UAR has given the Kurdish disorders heavy propaganda play, and may try to exploit the situation by stepping up border harassment in northwestern Iraq.

In a speech to labor leaders on 30 April, Qasim promised "one, if not two" revolutionary developments during May. One of these will probably be the announcement of a new cabinet, which for the first time is expected to include avowed Communist party members, according to an intimation given by Foreign Minister Jawad.

Qasim's speech generally counseled restraint. Referring to the prevalent Communist clamor for legalization of approved political parties, he said Iraq is in a period of transition in which parties are of no benefit. In a similar vein he declared that whether or not traitors were to be executed was a matter which he alone would decide, and urged those clamoring for executions to come up with suggestions more beneficial to the country.

UAR's Aswan High Dam

Recent developments concerning Soviet participation in the construction of Egypt's Aswan Dam have been given major attention by the Cairo press. A mission of experts headed by the Egyptian minister of public works arrived in Moscow on 6 May for talks on the dam. The Soviet Union has proposed amendments to the plans for the construction

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of the first phase which will reduce the total cost of the dam, and save three or four years' construction time. Cairo, thus far, has shown no opposition to the amendments, and talks concerning further financial aid for the construction of the dam may take place in Moscow during the visit of the UAR mission.

Jordan

Hazza Majalli formed a new cabinet on 6 May following the resignation of Premier Rifai. King Husayn's choice of Majalli appears to tie the monarch more closely to the militant Bedouin minority whose domination of the army has ensured the monarchy's survival.

The new cabinet has equal representation for East and West Jordan, includes two holdovers from the Rifai government, and contains both old-line politicians and inexperienced younger men. Majalli is foreign minister as well as premier. Interior Minister Mirza is a member of the Circassian minority and a close friend of Majalli. Assignment of the defense portfolio to Anwar Nashashibi, a young and able lawyer inexperienced in military affairs, suggests that Majalli will closely control military policy. Akif Fayiz remains minister of agriculture, and is the representative in the government of the influential Bani Sakhr Bedouin tribe.

Rifai resigned on 5 May in an unsuccessful maneuver to

obtain royal affirmation of his authority in the controversy with influential Bedouin army officers who accused the army chief of staff, Major General Sadiq Shara, of plotting against the monarchy. Rifai had supported Shara against the Bedouin officers and had also been at odds with members of the palace entourage, who have long sought his replacement. Rifai had been premier since May 1958, and had actually run the government the year before that as deputy premier under the ailing Ibrahim Hashim.

Hazza Majalli is a British protégé who served briefly as premier in December 1955 during the unsuccessful attempt to bring Jordan into the Baghdad Pact. He is distantly related to the prominent Bedouin officers of the Majalli clan in the Bani Sakhr tribe.

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Majalli has in the past had fairly good relations with leaders of the ultranationalist National Socialist party, and this might improve the prospects for normalization of relations with the UAR. Cairo, however, has characterized Majalli's replacement of Rifai as the replacement of an American puppet with a British puppet.

Removal of Rifai's firm, experienced hand may well open the way for resumption of the instability in the government and army which was chronic before Rifai took over the government leadership two years ago.

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USSR-Iran

Relations between the USSR and Iran are steadily deteriorating, largely as a result of continuing Soviet propaganda attacks on the Shah.

The Soviet radio has recently increased its strong attacks on the Shah and his regime. One broadcast on 4 May told Iranian listeners that "the personal life of the Shah ...can in no way provide an instructive example for his subjects." The "National Voice of Iran," a clandestine station which began broadcasting about 27 April, is also continuing

its attacks. This station, which is apparently located in the USSR, has been even more specific and personal in its criticism of the Shah than have regular Soviet broadcasts to Iran, and it attempts more openly to incite social minorities and tribes to revolt.

The Shah, who is visiting Britain from 5 to 14 May, may request British military aid and security guarantees. London in return may be interested in obtaining more extensive aircraft staging facilities in Iran to compensate for the loss of those in Iraq.

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The Chinese Communists in a People's Daily editorial on 6 May claimed the rebellion in Tibet had been quelled "in the main," and stated that traditional Tibetan political and social patterns are to be radically altered by "peaceful" revolution. The Communists have already introduced mutual aid teams--an elementary form of collectivization--to work land confiscated from rebel leaders and are hinting about land distribution.

The 6 May editorial's main purpose was to rebut the "logic" of Indian Prime Minister Nehru's recent speeches--particularly that of 27 April attempting to set the record straight on Indo-Tibetan relations. Although the article is a systematic statement of Peiping's position

and says that criticism of Communist actions will not go unanswered, its moderate tone contrasts with bitter denunciations of "Indian expansionism" coming from nationwide rallies during the preceding four days and is an effort to restore the balance in Sino-Indian relations virtually destroyed by the exchange of recriminations.

Describing Tibet as a "society of serfs," the editorial emphasizes Peiping's claim that "feudal reactionaries" resisting "democratization" had started the revolt and that Nehru's sympathy is in "error." People's Daily uses Nehru's own words from the 1930s--that it is useless to "convert" a privileged class--to imply that suppression of the revolt is justified.

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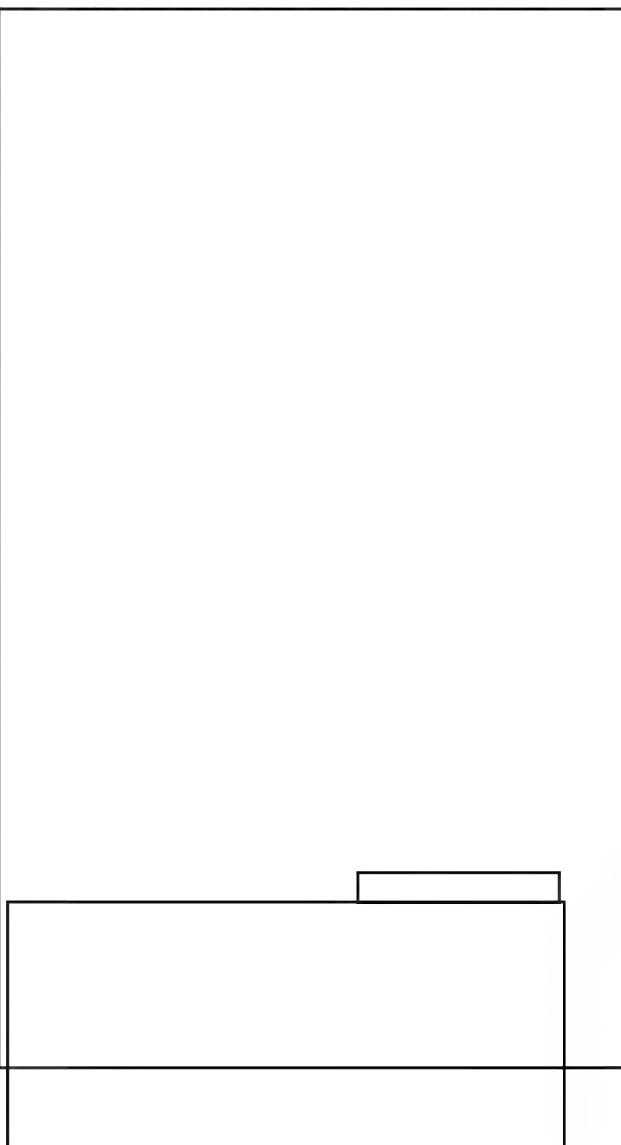
While agreeing with Nehru that India has no "political ambitions" in Tibet and citing his "world prestige," the article reminds him of New Delhi's "interference" in 1950 when India sent notes to Peiping deplored the advance of Communist troops into Tibet. The paper holds that interference continues "in certain forms," including Nehru's remarks about Peiping's failure to honor its earlier assurances of Tibetan autonomy.

Despite repeated Indian criticism of Chinese actions in Tibet, People's Daily points out that "for quite a long time" Peiping maintained "almost complete silence." The editorial suggests to Nehru that he muzzle Indian critics with a "clear-cut, hands-off policy." "Once the Indian side stops its words and deeds of interference," the paper states, "the present argument will end."

While both People's Daily and Chinese officials have stated that Communist China must retaliate to criticism in order to "avoid the impression that we submit weakly to attacks," Peiping realizes this policy of retaliation is damaging its reputation in New Delhi.

In further moderating attacks on "Indian expansionists," Peiping may blame "US imperialists" for "exploiting" the revolt to damage Sino-Indian relations. Peiping's continuing refutation of Indian statements will probably further irritate New Delhi, but Nehru also will probably try to ease the strain between the two countries. An effort in this direction appeared in his statement to Parliament on 4 May that there would be no change in India's neutralist foreign policy.

He stressed, however, that he was "shocked beyond measure" by Peiping's attacks on New Delhi's role in the Tibetan affair. Nehru added that he would continue to work for China's admission to the United Nations, but, despite these assurances, the Indian delegation may play a less active role in supporting Peiping during future 25X1 UN sessions.

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PART II

NOTES AND COMMENTS

MAY DAY CELEBRATIONS IN THE SINO-SOVIET BLOC

The traditional May Day parade held in Moscow this year included only a brief military display which was reported by some observers as being the shortest since the revolution. No missiles, tanks, or significant new weapons were shown, and there was no participation by military aircraft. One new item of military equipment--a wheeled amphibious armored personnel carrier--was paraded. A tracked armored personnel carrier (BTR 50p) which was displayed in 1957 but not in 1958 appeared again this year.

In his speech on the occasion, Defense Minister Malinovsky denounced "the ruling circles of the Western powers" who "are striving in every way to counteract the peaceful initiative of the Soviet Union to ease international tension." He added that there are "no forces in the world which can overcome the Socialist camp," and that the Soviet armed forces "are prepared at any moment to administer a crushing rebuff to the aggressor."

The only satellite country to feature a military parade was East Germany. Army participation included antiaircraft artillery, field artillery, antitank weapons, wheeled and tracked amphibious vehicles, and approximately 2,000 troops. No new military equipment was observed.

Poland's May Day parades were limited to marching workers. In contrast to last years, Gomulka's speech was mild and contained no references to the "imperialist" United States. The theme of this year's Polish

May Day celebrations apparently was one of peace.

The parade in Prague lasted over four hours. Slogans stressed peace and coexistence, and there were practically no anti-US displays. President Novotny stressed economic achievements and the urgency of eliminating West German militarism by a successful Geneva conference.

In Hungary, production was the main theme of the various workers' groups which paraded. Posters depicting various achievements, and pledges for the future were displayed.

Bulgaria celebrated May Day with a three-hour parade led by youths from the Pioneer organization and followed by groups representing all Sofia districts, industrial enterprises, educational establishments, cultural workers, and others. There was no military participation and no speech.

Similar festivities were held in Albania. A speech delivered by Gogo Nushi, party politburo member and president of the central council of the Albanian trade unions, stressed production but also contained the admonishment to "be vigilant toward the plundering plans of the imperialists and of their lackeys along our borders."

In Rumania between 5,000 and 6,000 uniformed factory guards armed with submachine guns, rifles with fixed bayonets, and both heavy and light machine guns constituted the first contingent of a parade which involved an estimated 300,000 individuals and lasted approximately five hours.

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In Communist China there were demonstrations and mass rallies in all the larger cities. Chinese workers reported their new achievements in the first four months of the year, and peasants pledged their "confidence and determination" to harvest still bigger crops "to ensure the achievement of this year's national targets." The paraders shouted slogans denouncing the "imperialists and Indian expansionists" for "engineering" the rebellion in

Tibet and "interfering" in China's internal affairs.

In North Korea and North Vietnam the celebrations stressed the role of the worker and increased productive capacity. The achievements of the Communist regimes in both countries were contrasted with the "gloomy picture" in their southern counterparts, and were cited as proof of the superiority of the Socialist camp. [redacted]

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USSR COLLECTIVE FARM UNION PROPOSAL GAINING FAVOR

Proposals for forming associations of collective farms, first publicized early last year, continue to receive publicity in the Soviet press. In recent months the idea of collective farm unions has been linked to proposals for reorganizing the Ministry of Agriculture and the administration of the Repair and Technical Stations. Although divergent descriptions indicate that the final form has not emerged, the general idea is to group collective farms into a union at some level of government--rayon, oblast, republic, or national. If this is established at the republic or national level, there would be a far-reaching reorganization of the administration of collective farming, with a concurrent reduction in the importance of the Ministry of Agriculture.

The postponement of the USSR's third collective farmer's congress--originally proposed for early this year--may indicate that important changes in the organization of agriculture are being contemplated, which may include the formation of collective farm unions.

Ivan Vinnichenko, who has gained a reputation as harbinger of changes in Soviet agriculture, first supported the idea in June 1958. Vinnichenko publicized prior to their adoption such innovations as the abolition of the Machine Tractor Stations and of compulsory deliveries. The union as conceived by Vinnichenko would supplant the republic agricultural ministries in all but planning, scientific research work, personnel training, propaganda, and inspection. Its role would apparently be both administrative and coordinative. A union might, for example, act as agent for the accumulation of funds to assist backward kolkhozes, provide a single system of social security, and coordinate production and procurement plans.

Vinnichenko's latest plea for the creation of the union appeared during March 1959 in Literature and Life, which pointed out that the idea is receiving very favorable attention at the kolkhozes themselves. Troubles which still arise regarding supply, planning, and operational administration can best

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be solved, according to Vinnichenko, through the regime's formal adoption of the union organization to take charge of these activities.

Vinnichenko also concluded that the union agencies might replace the agriculture inspectorates which, though approved by Khrushchev in his Supreme Soviet speeches in April and May 1958 as "evidently...correct at the present stage," have been criticized as a remnant of the older agricultural order which is unfit to direct kolkhoz production. Vinnichenko further suggested the possibility that the Repair and Technical Stations might be purchased through the combined resources of several collective farms--another potential administrative activity for the collective-farm union.

Vinnichenko implied that the union idea could be a logical extension of Khrushchev's proposal at the December plenum for the development of inter-kolkhoz production ties and the

joint construction by kolkhozes of electric power stations, storage areas, food-processing plants, and other cooperative enterprises. Formation of the union would also be in line with the regime's encouragement of more participation in the processes of government.

Many others besides Vinnichenko have proposed a collective-farm union. In March 1958 for example, the dean of Russian economists, S. G. Strumilin, advocated the introduction of a union organization similar to the Central Council of Consumer Cooperatives at both republic and national level. In December 1958 the Armenian newspaper Kommunist suggested that unions even replace the Ministry of Agriculture as the main agriculture administrative link for the collective farms at the rayon level. In mid-January an Izvestia article called for the organization of a union with procurement and sales functions at both the rayon and oblast level. [REDACTED]

(Prepared by ORR)

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POLISH REGIME MAY SEEK CONTROL OF AGRICULTURAL ASSOCIATIONS

Recent statements in the Polish press indicate that the self-governing cooperative agricultural associations are to be brought under party control, possibly by having loyal Communists join them. This may be the beginning of the regime's program to socialize private farmland gradually. According to an article in Zycie Gospodarcze on 12 April, "Agricultural associations are to be a specific feature of the Polish road to socialism," and their "transformation...into a mass organization of peasants is at present the decisive matter."

These self-governing organizations sprang up after Gomulka came to power in 1956. Following the cooperative tradition of prewar Poland, they had as a primary purpose mutual benefits such as sharing the use of expensive machinery, cooperation in livestock breeding, and the acquisition of construction materials and seeds.

The associations, which numbered 16,500 with 458,000 members by the end of 1958, are opposed by the Stalinists, who maintain that the idea of such organizations' leading the

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countryside to socialism is merely an illusion and that their strength as a peasant union is a threat to the leading role of the party in the countryside.

The regime also has attacked agricultural associations for not permitting poor peasants to become members and for being too independent. Furthermore, Warsaw has stated, some of the old peasant leaders active in the groups are working for a return to capitalism in the farm areas. Even so, Gomulka has continued to support the associations as the lesser of two evils, the greater being the decline in Polish food production which would result from harsh collectivization measures --a circumstance which could readily affect the stability of Gomulka's control in Poland.

Polish officials and theoreticians have pointed out that private Polish farmland--87 percent of the total--is to be socialized ultimately, but, since

they have stressed the long-range aspect of the program, the peasant has been persuaded to increase production and make farm investments. Abrupt moves to initiate large-scale socialization are unlikely at this time, since there are heavy pressures --including a rapidly growing population--on the Gomulka regime to keep food output as high as possible.

Nevertheless, the inevitable efforts to increase party control of the agricultural associations indicates that the groundwork is being laid for the time when the USSR applies irresistible pressure to force Polish conformity with bloc agricultural policies. Thus Gomulka will possess a ready-made framework of cooperatives over which he can try to make state control complete or that he can keep, if he desires, as a facade to conceal the lack of state control over the farmer and obscure Poland's lack of conformity with bloc practices. [redacted]

(Prepared by ORR)

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TITO ENCOURAGES UAR AND INDIA TO OPPOSE BLOC

Yugoslavia has been encouraging the UAR and India to take a stronger and more effective stand against Communist-bloc policies. These actions are motivated in part by Yugoslavia's desire to increase its influence in these areas. [redacted]

Arab Communist parties--to emphasize Soviet imperialism and subversion rather than to attack Communist ideology. Nasir subsequently cited Yugoslavia as an example of a Communist country which had been attacked by the bloc for rejecting Russian control. The question, Nasir said, was "not one of belief, but of domination." The US Embassy in Cairo considers that this remark probably was influenced by Yugoslav dissatisfaction with the previous tone of the UAR's campaign.

Yugoslavia at first considered mediating the UAR-Iraqi dispute but, as a result of the Iraqi Communist party's attacks

Yugoslav diplomats in Cairo have urged the Egyptian regime to shift its attacks on

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on Yugoslav "revisionism" and because of Belgrade's desire to maintain close ties with Nasir, eventually turned against the Iraqi Communists. The Yugoslav ambassador to Baghdad, who returned to his post on 18 April, intended to tell Qasim of Belgrade's views.

A Yugoslav Government spokesman on 17 April acknowledged that Tito had recently sent a letter to Nehru, reportedly urging him to take a strong stand against Chinese Communist suppression of the Tibetan revolt. This and Belgrade's harsh public condemnation of the Chinese action partially reflects the current hostility in Sino-Yugoslav relations as a result of China's role in the bloc dispute with Belgrade. Thus Tito is attempting to take advantage of Peiping's difficulties in Tibet to expand his influence in Asia.

Tito probably also desires to strengthen relations with New

Delhi; these had cooled in 1956 when Nehru felt that Tito had misinformed him as to the true nature of the Hungarian revolt by denying its popular character. Relations improved somewhat during Tito's visit to India earlier this year, and the Yugoslav leader probably believed that a forthright statement from him on the Tibetan revolt might bring additional improvement.

A further purpose of these recent actions by Yugoslavia in connection with Iraq and Tibet may be to obtain Western support for its publicly proclaimed bid for inclusion in an enlarged summit conference. On the question of European security, however, Belgrade's views are closer to the USSR's than the West's. The Yugoslavs especially favor a disengagement scheme such as the Rapacki Plan, which they characterized as a compromise based on mutual concessions by both East and West.

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INDIA SPEEDS UP DEVELOPMENT OF OIL RESOURCES

The Indian Government is seeking to reduce the \$200,000,-000 annual cost of importing oil by speeding up the development of the country's own resources. An Indo-British company has been formed to exploit new oil resources, and the British have made new offers to lend money for the construction of two pipelines. The Soviet bloc is attempting to increase its role in India's oil development program; New Delhi apparently had decided to accept an offer from Moscow to construct a large refinery.

New discoveries in Assam State have enabled India to increase its crude oil production

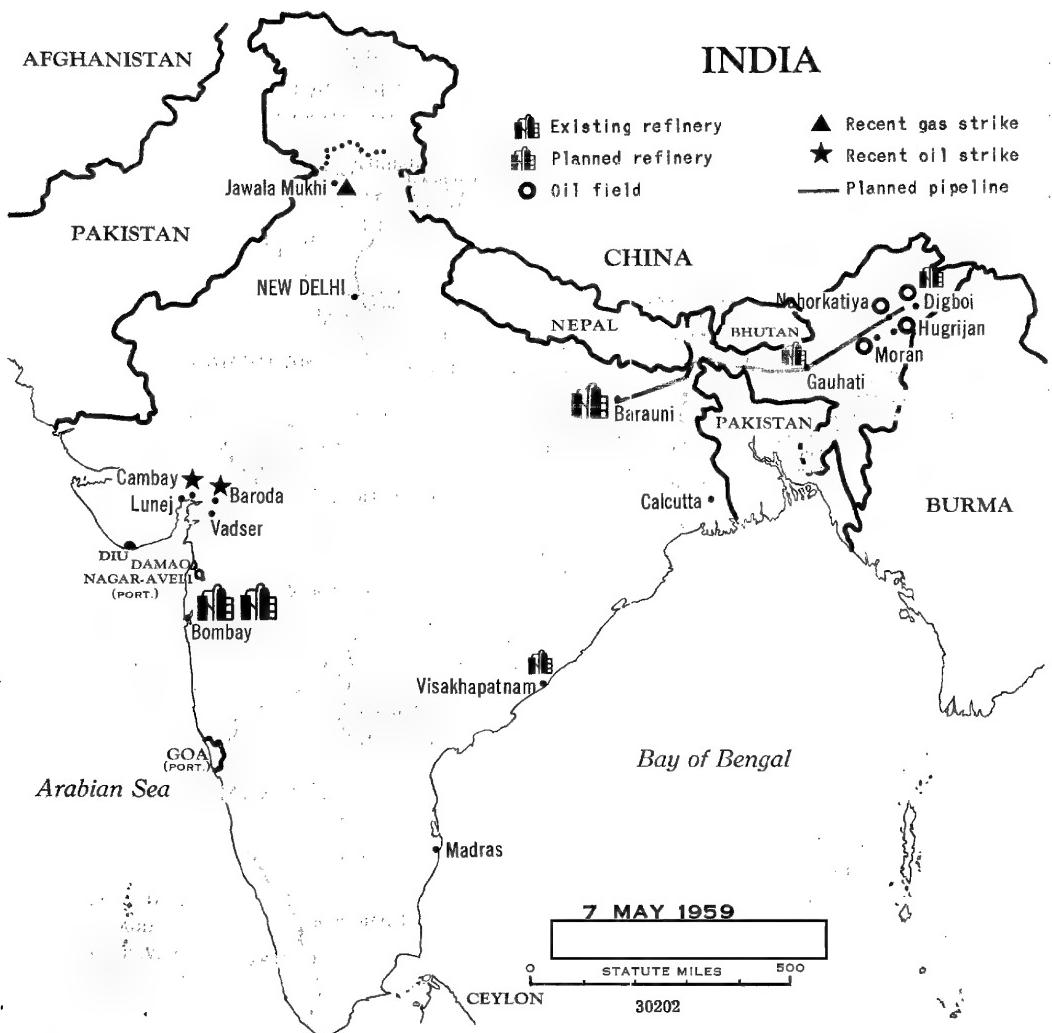
from 1,910,000 barrels in 1952 to about 3,300,000 barrels in 1958. When adequate transportation and refinery facilities are available, these discoveries will make possible the production of at least 19,000,000 barrels a year--40 percent of India's present requirements.

Oil India Private, Ltd., was formed on 19 February to handle production and transportation of the oil from the new fields. Two thirds of Oil India is owned by the British Burmah Oil Company and one third by the Indian Government. Burmah Oil has agreed to lend \$28,000,-000 to Oil India to build a 280-mile pipeline from the oil fields

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to Gauhati, Assam. Burmah Oil and Britain have recently made a joint offer to lend \$36,400,-000 to Oil India to finance part of a 470-mile pipeline from Gauhati to Barauni in Bihar State. Refineries are planned at Gauhati and Barauni, the former to be financed by Rumania and the latter apparently by the USSR.

Publicly New Delhi is still noncommittal on the significance of oil discovered last September on the west coast near Cam-

bay. A Soviet geologist, however, has asserted that the Cambay area has at least 30 million tons of oil reserves; these would yield over 10,000,000 barrels a year. New Delhi now is negotiating with Moscow for five more drilling rigs. It is also considering seeking Soviet assistance in constructing an oil machinery plant, and is attempting to secure foreign assistance for the construction of a pipe fabrication plant and a lubricants refinery. [redacted] in by ORR)

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SOUTH KOREAN GOVERNMENT REPRESSING OPPOSITION

Waning popular support for the South Korean majority Liberal party and the Rhee administration has convinced many Liberals that strong measures are necessary to assure President Rhee's re-election in 1960. Suppression on 30 April of the pro-opposition Kyonghyang Sinmun, South Korea's second largest newspaper, is the latest in a series of government measures aimed at silencing criticism of the administration.

The Liberals' campaign to assure the administration's retention of power became apparent late last year when they resorted to force to enact a series of legislative measures including the revised National Security Law giving the government broad summary powers to suppress criticism of the administration and the new Local Autonomy Law giving the government the power to fill important local posts which had formerly been elective. Subsequently, opposition Democratic party attempts to rally public support have been hampered by continued police harassment and a police prohibition against rallies called to protest the new laws.

There has been a renewal of pressure tactics by pro-administration "patriotic groups,"

including some 800 organized Seoul hoodlums. Also, the new army chief of staff, Lt. Gen. Song Yo-chan, probably was chosen in part because of his past success in delivering the army vote to the administration.

Cancellation of the Kyonghyang Sinmun's publishing license, reportedly at the urging of Home Minister Choe In-kyu and Justice Minister Hong Chin-ki, was approved by Rhee on the grounds that the paper had consistently opposed government policy. The action was taken under Ordinance 88, promulgated by the former US military government, rather than under the controversial National Security Law. Rhee apparently hopes to deflect criticism by relating the move to an American regulation.

Recent strongly worded presidential statements calling for an end to the legislative deadlock, which has persisted since last December in the National Assembly, suggest that further measures against the opposition may be in the offing. An ominous editorial on 29 April in the administration newspaper Korean Republic attempted to justify extraconstitutional government "if necessary." 25X1

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COALITION OF PHILIPPINE OPPOSITION PARTIES

The coalition formed by the Philippine opposition Liberal and Progressive parties on 25 April significantly boosts their prospects in the mid-term elections in November. The communique, signed by Vice President Macapagal for the Liberals and by Manuel Manahan for the Progressives, stated that the parties would present a common ticket in the elections in which one third of the 24 Senate seats will be contested as well as provincial governorships and other local offices.

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[Redacted]

Macapagal, backed by the Liberal party's "old guard," had resisted coalition efforts under way since late 1957 on the grounds that the Progressive party might be the chief beneficiary. The coalition agreement apparently was brought about after a group of prominent young Liberals threatened to bolt the party.

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[Redacted]

Liberal and Progressive leaders believe that in order to challenge Garcia in 1961, considerable gains must be made on the provincial level and several Senate seats, in addition to the two now held by the Liberals, must be captured. The new coalition may find it difficult to maintain internal unity, however, and it will face a difficult task in contending with the powerful and well-entrenched Nacionalista party machine.

Although the coalition probably will try to attract dissatisfied Nacionalista members, President Garcia may make an effort to appease these elements, as well as to unite with the small Nationalist Citizens party led by the ultranationalistic Senator Recto. This may be facilitated by Garcia's recent launching of the National Progress Movement--a grass-roots "Filipino First" organization--as well as by possible cooperation with a new political organization launched by leftist labor leaders.

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PROSPECTS FOR ALGERIAN REBELS

Algerian rebel leaders are concerned over the course of the war in Algeria which began four and a half years ago and led to the establishment of a

provisional government in September 1958. The rebel high command in Tunis appears to be having difficulty maintaining discipline over elements in

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Algeria, and morale has deteriorated in certain areas to a point where company-size units have rebelled against their commanders. A growing number of Moslems in Algeria appear indifferent concerning rebel prospects and anxious for the long struggle to end.

Diplomatically, the provisional government continues to maintain a conciliatory posture concerning peace negotiations with the French. Premier Ferhat Abbas has said his "government" is prepared to enter into negotiations concerning the Algerian question in a neutral country. The French, however, maintain that they will discuss no political matters, only a cease-fire. Although Abbas would probably encounter opposition within the provisional government should he negotiate for anything short of complete independence, recent rebel setbacks have stimulated rumors that negotiations are impending.

The rebels continue to maintain an effective force of about 25,000 in the field, and it appears unlikely that the French can conclude the war in the foreseeable future. Rebel troops, however, are greatly outnumbered by French forces of over 400,000 men. Their hopes depend on a weakening of France's determination to prosecute the war rather than on any prospect of military victory. Recent rebel setbacks and De

Gaulle's refusal to discuss anything other than a cease-fire may have lowered rebel morale.

Although the rebels remain wary of Communist penetration, they have lately stepped up efforts to obtain arms and other aid from the Sino-Soviet bloc. An Algerian arms delegation recently departed Peiping, and wounded rebel soldiers are being sent to hospitals in bloc countries. The rebels, however, continue to receive most of their foreign aid from the Arab states.

Recent rebel offensive moves in Algeria have been largely confined to terrorist activity and small-scale raids such as that against Orleansville by about 30 men in late April. Even should the French prove able to stamp out such raids, the rebels would retain a capability for terrorist activity.

European extremists in Algeria--increasingly critical of De Gaulle and suspicious that he intends to destroy their privileged position--may attempt demonstrations on the anniversary of last year's 13 May uprising which brought an end to the Fourth French Republic. Paris, however, in an apparent effort to limit possible disorders, has itself seized sponsorship of the anniversary ceremonies, and the army will probably curb any demonstrations which appear to be getting out of control.

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MOUNTING INTERNAL PROBLEMS IN GUINEA

Serious economic and administrative problems in Guinea offer the Sino-Soviet bloc opportunities to gain an influential position in this new West African republic. President Sekou Touré and other government lead-

ers, who are imbued with Marxist ideas, are eager to accept gifts from any source. The profess to see no strings attached and consider that offers of aid will show who are the Guineans' friends.

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The French withdrawal last autumn stripped Guinea of trained administrators and technicians, most equipment, and government records. A subsequent influx of personnel from other African areas has not adequately filled the gap. The country lacks capital--its budget barely bal-



ances on current account, with no funds for the necessary economic development--and bank deposits have fallen by half to only \$6,000,000. Guinea has no national bank or currency; credit is restricted by the French-controlled Institut d'Emission, which controls the

rediscount rate. Business is at a low ebb, and unemployment is a growing problem, especially among some 11,000 former soldiers recently repatriated from the French Army and now being paid only one eighth of their former wages.

The government has followed makeshift policies and enacted a series of ill-considered measures. Food supplies are handled differently from day to day; export crops are subject to new regulations daily. The economic situation will deteriorate even further if financial uncertainty drives out the Greek and 4,000-member French communities.

Guinea needs rapid assistance in several fields. The country reportedly will require about 5,000 tons of rice in May, and there is danger of a recurrence of last year's food riots. In addition, Touré says he needs 10,000 tractors and 50,000 plows for Guinea's effort to be self-sufficient in foodstuffs. Bloc gifts of arms, food, textiles, and other equipment have already been well received.

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FRENCH-SPANISH RAPPROCHEMENT

A recent series of talks between French and Spanish officials and Paris' public espousal of NATO membership for Spain suggest that a French-Spanish rapprochement comparable to that between France and Germany may be developing.

French-Spanish relations have slowly been improving in recent years, but Spanish membership in NATO was not given serious consideration in Paris until De Gaulle came to power. De Gaulle has maintained that

the exclusion of Spain from Western defense plans is "ridiculous," as has already taken steps to develop closer ties.

Possibly the most significant contact took place in April, when French former Chief of Staff General Lorillot went to Madrid to talk to the Spanish General Staff, reportedly on common interests in North Africa. Shortly thereafter--and possibly in connection with France's withdrawal of its Mediterranean fleet from NATO

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wartime control--the French foreign minister told US officials that Paris now favored Spain's admission to NATO and would undertake to convince Norway and Denmark, which have long opposed it. The subsequent West German announcement of support for Spain's entry was probably agreed to in talks between De Gaulle and Adenauer.

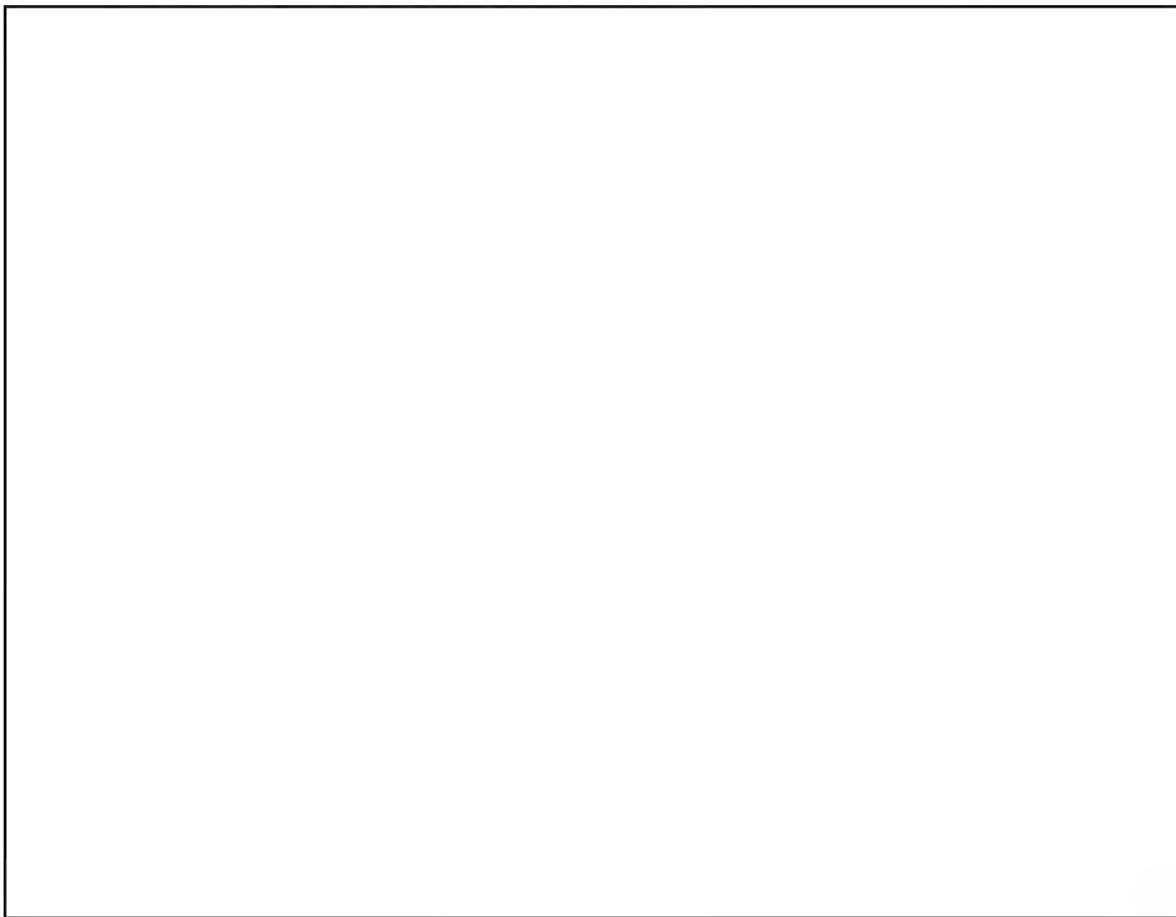
In line with the French thesis that NATO is being outflanked to the south and that the "real interest" of the Soviet bloc is in Africa, De Gaulle is seeking to strengthen France's line of communications with these areas and to assure a friendly Spanish attitude toward French policy there. De Gaulle also

probably views Spain as a prospective member of a Paris-led Continental bloc.

A close rapprochement between Paris and Madrid would encounter serious obstacles, however. Relations, generally strained since the civil war, are particularly sensitive on the point of rival influence in Morocco and the western Sahara, despite the joint military effort against Moroccan irregulars in early 1958. Madrid still suspects France of attempting to increase its influence at Spain's expense, and Spain's claim to be the "bridge" between the West and the Arab states has irritated Paris.

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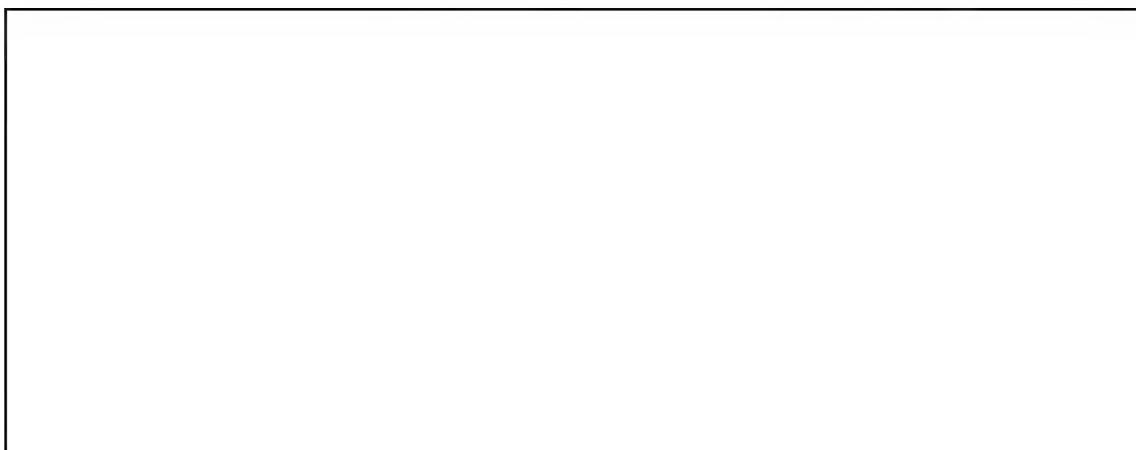
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THE PANAMANIAN SITUATION

The immediate response of the Organization of American States (OAS) to the Panamanian Government's request for assistance against a hostile landing has removed a serious threat to the administration of President Ernesto de la Guardia. An OAS-sponsored investigating committee effected the surrender of all but a few of the predominantly Cuban invaders on 1 May. Five were captured by the Panamanian National Guard and several are still being hunted in the jungle. Sea and air patrols provided for the committee by the United States, Ecuador, and Colombia, together with military equipment furnished to Panama by Guatemala and the US, probably discouraged other revolutionary expeditions which may have been planned.

Evidently spurred by the general opposition to the invasion and by its lack of success, the Cuban Government disclaimed any part in it and arrested Ruben Miro, a Panamanian who has been in Havana for several months, publicly plotting the overthrow of De la Guardia.

The Panamanian Government continues to be basically weak,

however, as evidenced by the virtual panic which the landing of less than 100 men caused among members of the ruling oligarchy, who evidently feared that the invasion might spark a drastic social upheaval. The lower classes in Panama, on the other hand, were apathetic. Knowing that Roberto Arias, an organizer of the invasion attempt, is a member of a prominent and wealthy Panamanian family, they apparently felt this was simply another episode in the continual maneuvering for power and spoils among factions of the oligarchy.

These factional maneuverings are likely to be resumed after only a brief respite, particularly if the administration continues to make accusations against Arias which might result in his being deprived of the political asylum he has taken in the Brazilian Embassy in Panama City.

Further unrest in Panama may be incited by extremist-led and rabidly nationalistic student groups anxious to discredit President de la Guardia and the unpopular and corrupt National Guard, particularly the influential guard commandants. The

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students may hope to capitalize on the discredit which the guard probably brought on itself by its reluctance, if not inability, to act against the invaders. Although the students are disorganized and the guard has

most of their leaders under surveillance or arrest, some student groups have access to sufficient arms to cause incidents which might force repressive measures by the government and heighten the general opposition to it.

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COMMUNISTS IN CUBAN LABOR

Along with their continuing propaganda effort directed toward the general public, the Cuban Communists have been making a special drive for control of organized labor and are evidently meeting with some success by working at the local level and behind the scenes.

In the trade unions, long a prime target of Communist penetration, a series of elections began on 24 April. So far, candidates adhering to Fidel Castro's dominant "26 of July" movement have generally won; in many instances they were unopposed. Communists may, however, capture union offices under "26 of July" cover. Their tactics are aimed at exerting influence from behind the scenes and gaining control at the local rather than the national level. For example, Communists are known to have been active in the preparations for May Day celebrations, but the party as such kept in the background and the banners and slogans employed emphasized nationalistic themes.

Communists in labor, as elsewhere, are identifying themselves with the popular objectives of the revolution and are exaggerating the danger of counterrevolution to strengthen their position. Castro's cautious remarks against Communism during his US visit apparently

encouraged some overt anti-Communist activity in Cuba, but it is still apparent that he does not fully recognize or understand the Communist threat.

Among the moves advocated by Communists is the formation of a workers' militia. This project has been endorsed by a number of top labor leaders and by Major Ernesto "Che" Guevara, an important Castro adviser whose actions frequently encouraged and facilitated Communist activities. Now commander of La Cabana Fortress near Havana,



GUEVARA

the 31-year old Argentine-born Guevara was one of the principal guerrilla leaders during the Castro revolution and commanded operations in the important

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province of Las Villas during the final weeks of the war.

Though not proven to be a Communist, Guevara publicly maintains that by their aid in the revolution--which, in fact, was minimal--Communists earned the right to participate in the government. Communist activity has been pronounced in his army command and he has encouraged pro-Communist Nicaraguan revolutionaries in Cuba.

Guevara is outspokenly anti-US, charging the "imperialistic" United States with in-

tervention against the "popular" Arbenz regime in Guatemala, which he claims was neither Communist nor pro-Communist. He is reported to have held briefly a minor post under Arbenz during that government's last days, going thereafter to Mexico, where he met Fidel Castro and eventually joined the December 1956 invasion of Cuba. He had received a medical degree from the University of Buenos Aires in 1952 and left Argentina shortly thereafter because of his opposition to the Peron regime.

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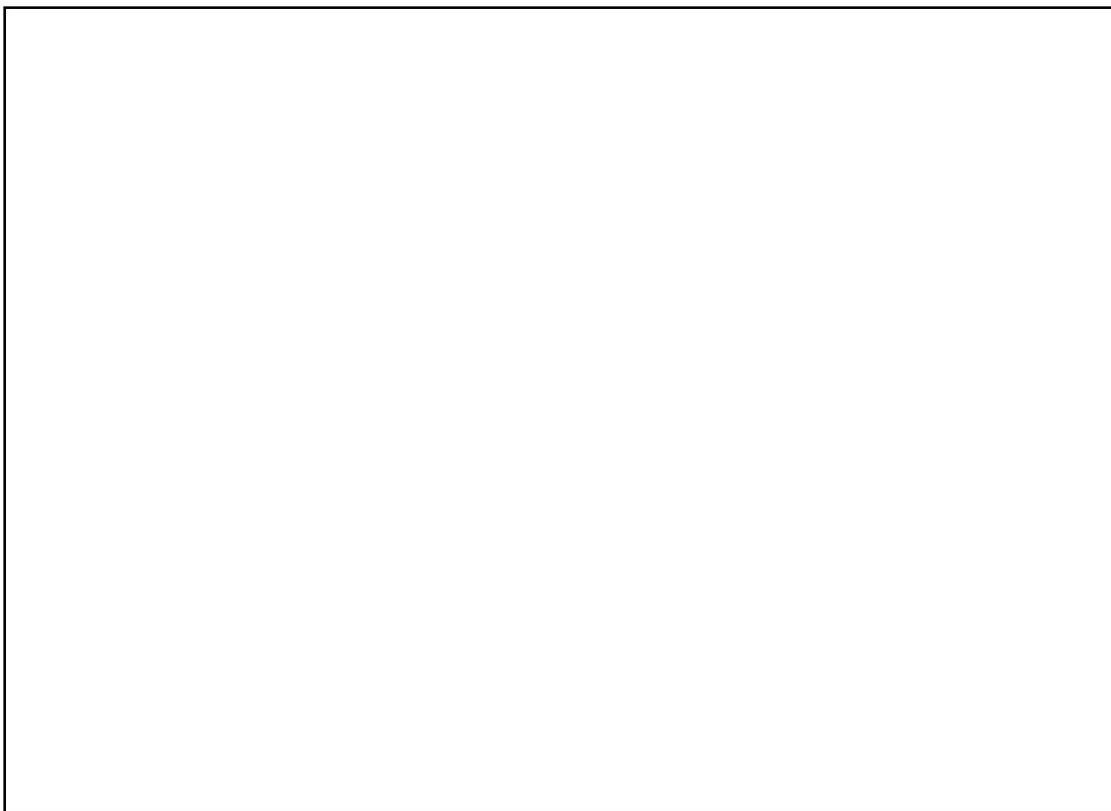
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WESTERN EUROPEAN ATTITUDES ON BERLIN AND EAST-WEST NEGOTIATIONS

On the eve of the 11 May foreign ministers' conference, Western European opinion generally supports the governments' intention to hold firmly to West Berlin. Much of this backing seems predicated, however, on the growing assumption that war is not likely. Any toughening of the Soviet stand could jeopardize this support. Europeans welcome the upcoming negotiations, assuming they provide some slight prospect for a further easing of tensions.

British opinion appears least satisfied with the status quo and most inclined toward compromise should the risk of

hostilities seem imminent. Scandinavians, Belgians, Italians, and--despite Adenauer's stand--the West Germans all show similar wariness of sticking to the present Western position at the risk of hostilities. Dutch public opinion inclines more strongly toward firmness, while in France there is at present but little sentiment contrary to De Gaulle's insistence on standing firm, nor any effective political expression for such sentiment.

Britain

Since Prime Minister Macmillan's visits to Moscow, Paris, Bonn, and Washington, the British

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public has tended to view the Berlin situation primarily as a contest among personalities, with Macmillan playing the hero's role. Beneath this is the conviction that the issues are negotiable, and that a posture threatening massive retaliation runs the excessive risk that, through miscalculation, nuclear warfare might erupt.

Results of a mid-April public opinion survey point up the British public's hope that the West can maintain its position in Berlin without running serious risks. Whereas two thirds of those expressing opinions wanted the West to stay in Berlin even at the risk of war, only 11 percent of the full sample favored staying at the risk of nuclear war. While the overwhelming majority does not expect war to come from the Berlin crisis, more than half of those with opinions expect that war, if it comes, will involve use of nuclear weapons.

The British public's insistence on negotiations is further underlined when matched against a December 1958 survey showing that only one quarter of those questioned thought Britain "would survive" a nuclear war. Nearly twice as many at that time said they preferred coming to terms with Russia "at any price" as said they would choose nuclear war, if faced with such a choice. In late April, with the crisis atmosphere reduced, opinion divided equally on a similar question.

The recent uproar over the high-altitude American flights into Berlin shows how easily the British public is aroused over any Western moves that can be painted as provocative. Left-wing papers are playing up in a similar light the prospective arming of West Germany with nuclear weapons.

Macmillan has cultivated the notion that differences can, through patience and persistence, be compromised. He presented his decision not to call general elections this spring in a manner revealing his preoccupation with East-West talks and his personal role in them. While asserting the primary importance of summit talks--and in terms of "when" they come rather than "if"--the prime minister has tried to temper the public's hopes by speaking of a series of such meetings. In lauding Macmillan's efforts, the press frequently charges that other Western leaders are incapable of negotiating with the Russians.

A change of Soviet tactics could bring the British Government under formidable public pressure to purchase agreement by concessions to the USSR. This would be especially true if Macmillan calls general elections soon after the summit talks, since the electoral contest is expected to be close.

France

Most of the French people evidently do not take seriously the possibility of imminent all-out war, and there has been little public discussion of the subject. The French consider that the active war in Algeria constitutes part of the overall struggle against Communist expansion.

The virtual impotence of opposition parties, even in Parliament, severely limits the chances that any opposition will develop to the government's insistence on preserving the status quo in Germany and Berlin. Even if the Communists attempt a campaign of criticism outside Parliament, it would probably not be effective.

French suspicion of British influence in the Western alliance has contributed to support of the increasingly close

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political, economic, and military ties with West Germany that have developed in recent years. This support of a Continental counterweight to the British induces a natural reaction against Macmillan's initiatives and in favor of the "tough" stand of West German Chancellor Adenauer. French leaders have noted that existing "disengagement" schemes reduce the rear defense area of Western European countries, particularly France, more than that of insular Britain or distant America.

The Paris press has expressed fears that the West's position may be weakened by Secretary Dulles' resignation and Adenauer's prospective move to the presidency. Looking further ahead, it voices special concern over Erhard's expected accession to the West German chancellorship, on the ground that he might move Bonn closer to the more flexible British position and threaten French-German solidarity.

West Germany and West Berlin

At a time when German attention to the Berlin question is being drawn somewhat away by speculation over political changes accompanying Adenauer's move, opinion polls in West Germany underline the considerable public willingness to settle the Berlin problem by compromise, if necessary by direct dealings with East German officials. In contrast, polls among West Berliners show much greater determination to hold firm.

In the Federal Republic, a recent poll showed that 40 percent of those interviewed preferred dealing with East German officials to maintain access to Berlin rather than risking war by forcing through a convoy to the city. Only 21 percent would risk war. While

the public shows confidence that some worthwhile achievement will result from East-West negotiations, it does not expect reunification to result. Almost two thirds of the West Germans, according to the poll, would favor direct political negotiations between the West and East German governments on unification, despite Adenauer's own opposition to such a course.

Italy

The Italian people appear to support the Segni government's backing of the defense of West Berlin's ties with Western Europe, but a survey in late April conducted for USIS in Rome indicated that if Italy is faced with the risk of nuclear war, this support might dissipate. Of those questioned, 36 percent preferred Soviet occupation to nuclear war, if faced with a choice, against 21 percent choosing war. There evidently is no significant popular fear that a war is imminent, however.

The non-Communist press is cautiously optimistic regarding the outcome of forthcoming East-West talks. The April poll showed only one out of five Italians believing that a summit meeting would be likely to achieve a solution to the Berlin problem. The Italian Communist campaign to convince the people that Italy's acceptance of IRBMs makes it vulnerable to attack appears to have had little effect.

Benelux

The Benelux countries express divergent views. The Dutch and the Luxembourgers favor a firm Western position to halt further Soviet inroads against the West rather than to negotiate into steadily weakened positions which they fear may eventually result in another occupation. The Belgians

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however, while strongly opposed to any neutralization and demilitarization in central Europe, advocate using every opportunity to come to some settlement with the Russians.

Scandinavia

Scandinavian opinion, while fully supporting Western determination to remain in Berlin, does not appear to be willing to risk war in order to avoid dealing with the East German regime on the question of access. The Scandinavians support the British emphasis on the need for compromise and flexibility in forthcoming negotiations as an alternative to devastating war. At the same time, little effort is made to spell out how far the West can go in compromising without eroding its position in Berlin.

In contrast to earlier apprehension over the possibility of armed clashes between the West

and the USSR over Berlin, Scandinavian opinion now is confident that war will be averted, thanks to what is seen as a softening in the Soviet position since November. The non-Socialist opposition parties, while not differing materially from the governments in their view of the problem, tend to favor a stiffer Western stand than do the Socialist governments. Secretary Dulles' resignation was generally taken to mean that the United States may follow a more flexible policy.

Austria-Switzerland

Neutral Austria and Switzerland take a special view of the Berlin problem. Austrians generally feel that any Western weakness might leave neutral Austria itself dangerously exposed to Soviet pressures. Swiss opinion has similarly indicated concern lest the country's neutrality be threatened by Western weakness. [redacted]

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ASIAN RESPONSES TO THE TIBETAN CRISIS

Communist China's suppression of the Tibetan revolt has sparked a wave of popular condemnation throughout free Asia, but few Asian governments have felt free to denounce Peiping's policies officially. Governmental responses have been conditioned by matters of national policy and fear of Communist China.

Ecclesiastical comment has almost universally decried the atheistic suppression of Buddhists and Buddhism. No significant Buddhist religious leader has spoken in defense of the Chinese action.

With the exception of Ceylon, no government has sug-

gested that the Tibetan uprising is at all similar to the minority revolts and secessionist movements which have plagued the nationalistic governments of India, Burma, and Indonesia since independence. Even the non-Buddhist peoples of the area appear to regard the Chinese action as imperialistic suppression of a movement for national independence and a clear violation of the Bandung principles of peaceful coexistence.

Pro-Western Governments

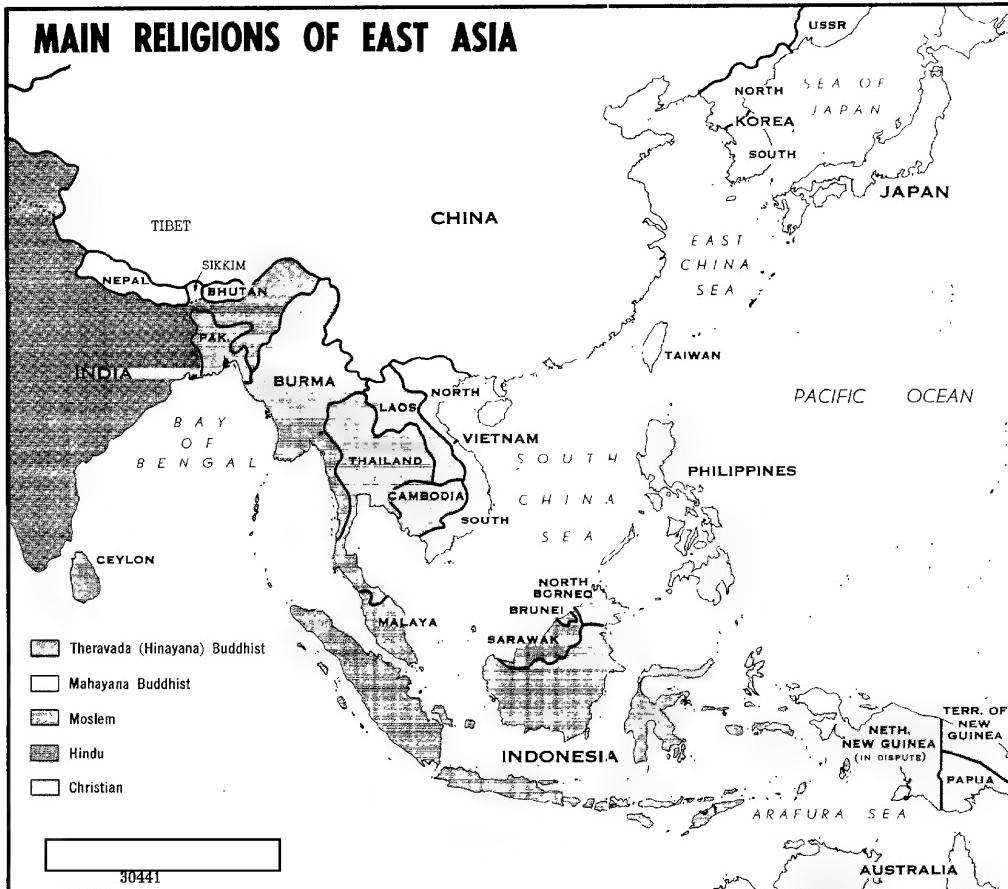
The outspokenly anti-Communist governments of Nationalist China, South Korea, and South Vietnam have seized on the Tibetan

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issue to press their propaganda campaign against the Peiping regime. They have offered assistance, sponsored public and "spontaneous" rallies, and announced the availability of "volunteers" to serve with the Tibetan forces.

The Tibetan crisis has given South Korea's President Rhee a new opportunity to press his project for an international anti-Communist organization. For President Diem of South Vietnam the crisis has proved to be a popular cause on which to seek increased support at home and abroad for his stringent anti-Communist program.

Although the Chinese Nationalist Government has been vigorous in its support of the revolt against Peiping, it has been handicapped by its unwillingness to accede to the principle of Tibetan independence or to view the uprising as a nationalist movement. Disgruntled by the Dalai Lama's failure to mention free China in his first public statement, Chinese Nationalists have asserted, as did the Chinese Communists, that the statement must have been prepared by the Indian Government.

In Tokyo and Bangkok, governmental response to the Tibetan

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situation has been less vigorous. Prime Minister Kishi deplored the Chinese use of violence, and there was a strong reaction from nongovernmental lay Buddhist groups in Japan. Foreign Minister Thanat of Thailand has used the Tibetan situation to warn all Buddhists to be alert in the defense of their religion and their freedom from the Communist menace. He has also declared that Thailand would support any international conference called to end the oppression of the Tibetan peoples.

Uncommitted Governments

In Southeast Asia, the governments of Buddhist Laos and Burma have felt themselves severely limited in commenting on the Tibetan uprising by their proximity to Communist China and their current problems with Peiping. Nevertheless, two Laotian cabinet members--the secretary for information, sports, and youth and the secretary for education--have made vigorous public attacks on the "foreign ideology" of Communism, citing Tibet as an example of the danger, and the foreign minister has declared that the Laotian Government is awaiting an area-wide Buddhist "movement of solidarity" on behalf of Tibet which it could join.

The Burmese Government's action has been limited to private statements of dismay and to unofficial encouragement of public criticism of Communist China. Prime Minister Ne Win told the American ambassador he feels it essential to resolve the Sino-Burmese border dispute so that, in the event of Communist aggression against Burma, the issue would not be blurred. He has also asserted that, since the Tibetan crisis,

the non-Communist states of Asia would align themselves with the United States in the event it becomes involved in a clash with Communist China. The permanent under secretary for foreign affairs states that the Chinese action has increased Burma's fear for its future.

Official Cambodian comment on Tibet has been very nearly eliminated since Premier Sihanouk's one interview in France and the subsequent Chinese Communist and Soviet protests. Sihanouk's statement, however, indicated his personal awareness of the menace of Communist expansion and noted that peaceful coexistence between Peiping and divine-right monarchy is only possible where the two governments are not immediate neighbors.

The governments of the Buddhist countries of Nepal, Bhutan, and Sikkim, on India's northern border and exposed to Chinese Communist incursions, have followed the Indian lead and are diplomatically silent in order to maintain viable relations with China.

Only the government of Ceylon, sharply influenced by its vigorous legal Communist parties and its economic ties with Communist China, has tended to whitewash the Communist action. Prime Minister Bandaranaike, asserting that the Tibetan uprising is a Chinese domestic affair, has publicly stated that the reports of Chinese violence in Tibet have been exaggerated. Ceylon now is attempting to renegotiate its agreements with Communist China for the exchange of rubber for rice.

Among the non-Buddhist countries, Pakistani and Malayan government spokesmen have taken

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strong positions against the Chinese Government, while Prime Minister Nehru of India has done his utmost to play down the Chinese violence, urging a compromise solution which would return the Dalai Lama to Lhasa. The Indonesian Government has formally ignored the Tibetan crisis and is reported planning no statement on the issue.

In the Middle East and Africa, only the United Arab Republic has taken official note of the Tibetan situation. In a 60-page pamphlet comparing Tibet with Hungary, the UAR Ministry of Information calls the Chinese act an "invasion," and there have been press references to the "new form of imperialism."

Nongovernmental Reactions

Throughout the free countries of Asia, nongovernmental groups and individuals have responded to the Tibetan uprising with a vigor unmatched in previous international crises. In Burma, India, and Ceylon, public denunciation of the Chinese action has run far ahead of the official position, while in Korea, Taiwan, South Vietnam, and Malaya it is matched by the governments' forthright opposition to Peiping. Ceylonese Buddhist politician Dudley Sananayake has called for the end of "materiel" shipments--rubber--from Ceylon to China, and former Prime Minister U Nu of Burma has invited the Dalai Lama to come there. The small Buddhist minority in Indonesia has publicly deplored the violence in Tibet.

Lay Buddhist leaders in Japan have organized a "National Council on Tibetan Problems" to publicize the plight of the

Tibetans, collect donations for the Tibetans, and aid those who seek refuge in Japan. In addition, the Japanese press has been almost universally critical of the Chinese, and a radio-television program on Tibet stressed the lasting ties between Lamaism and Japanese Buddhism and related the Chinese action in Tibet to the Russian repression of Hungary.

In Japan, as in Thailand, Laos, and Cambodia, the Buddhist clergy has been mainly silent on the Tibetan crisis. The clergy in these countries traditionally have strictly observed the prohibition against engaging in "worldly"--political--activities. Only where the religious hierarchy is politically active--in the former colonial countries of Burma, Ceylon, South Vietnam, and South Korea--has the Buddhist clergy formally recognized the crisis.

In Ceylon, 600 Buddhist monks have organized the "Great Council of Ceylon Bhikkus" to protest the Chinese action. A deputation from this council, when turned away from the Chinese Communist Embassy, announced its intention to travel through the island to tell the people what the Chinese Communists were really like, and to visit India to invite the Dalai Lama to Ceylon.

In Burma, a series of Buddhist meetings in Rangoon and Mandalay denounced the Chinese Communists and urged the government to withdraw its sponsorship of Chinese Communist membership in the United Nations and to cancel its adherence to the "peaceful coexistence" declaration made with Peiping. They also invited the Dalai Lama to visit Burma and "preach and practice" his religion peacefully.

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SATELLITES ACCELERATE PACE OF "BUILDING SOCIALISM"

The Soviet 21st party congress in January 1959--which announced that the Soviet Union had reached a new stage, "the period of the all-out building of a Communist society"--called for a general increase in political and economic effort for all Sino-Soviet bloc countries. The overly optimistic congress resolution noted:

As a result of the fulfillment and overfulfillment of the Seven-Year Plan and the rapid pace of the development of the economy of the countries of people's democracy, the world socialist system (by 1965)...will produce over half of the whole world's industrial production. Thus the superiority of the world system of socialism over the world capitalist system in material production will be ensured.

The theses for the Soviet Seven-Year Plan were circulated in the satellite countries as early as mid-1958. In response, all satellites except Poland stepped up the pace of political and economic activity, some of them declaring their intention to complete the "building of socialism" in their respective countries by 1965. In practice, the completion of the "building of socialism" will probably mean additional efforts to collectivize agriculture, to eliminate dissident elements in the political and cultural realm, and to step up the pace of industrialization.

At present Bulgaria and Czechoslovakia are the most advanced satellites in "building socialism," with East Germany, Rumania, and Albania not too far behind. Hungary shows no signs of reaching the 1965 goal, while Poland remains in a special category far behind the rest.

Encouraged to work out their own internal solutions, the satellites are responding to the impetus of the Soviet Seven-Year Plan and the congress in different manners according to their particular internal conditions. Certain hard-line elements in the satellite parties, especially in Bulgaria and East Germany, have found additional inspiration in the Chinese Communist "great leap forward."

Increases in the share of investment in the national income have occurred in all the satellites including Poland during 1958-59, reflecting for the most part an attempt to avoid a reduction in the rate of economic growth. Certain recent increases in investment and production plans, however, are directly related to the impetus of the program formulated in preparation for the Soviet party congress. The USSR has indicated willingness to back up the satellite economic programs by increased exports of raw materials.

As a result of the accelerated pace, there will be additional pressures on the peoples of Eastern Europe in the next few years. Despite such modest improvements in living standards as may occur, internal tensions will increase in relation to the pressure on the population and on popular attitudes in each country.

Bulgaria

Bulgaria's Communist leaders, almost all of whom favor a hard-line approach, responded dramatically to the demands of the Soviet congress and the Seven-Year Plan. In October they launched a drive to fulfill Bulgaria's present Five-Year Plan (1958-62) in three to four years, and thus bring its planning cycle more into line with

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those of other bloc countries. In November this was suddenly followed by the initiation of a "great leap forward"--clearly inspired by the Soviet theses and the spirit of the internal program in Communist China.

Having proclaimed the complete "victory of socialism in town and countryside," Bulgaria proceeded to amalgamate its collectives in record time and to

engage in a radical, sweeping decentralization of its internal administrative structure. The Bulgarians say the present program will create "the material and spiritual preconditions for beginning the gradual transition to Communism in five to six years."

Despite its ambitious designs, Sofia is evidently having difficulties realizing the

"BUILDING OF SOCIALISM" IN THE SATELLITES**THEORETICAL CRITERIA FOR A "SOCIALIST SOCIETY" BY COMMUNIST DEFINITION****WHAT THIS MEANS IN TERMS OF POLITICAL AND ECONOMIC POLICY****IMPLICATIONS FOR THE SATELLITES FOR THE PERIOD PRIOR TO 1965**

Abolition of exploitation of man by man--i.e., defeating the "class enemy" but not necessarily eliminating him.

Public ownership of the means of production.

Planned development of the economy; relocation of production closer to sources of raw materials and areas of consumption.

Basic improvement in the material and cultural level of the working people.

Voluntary observance by the people of the "elementary conditions of socialist life."

Transformation of three "classes"--workers, peasants, and intellectuals--into groups serving socialism, not capitalism.

Elimination of the "antithesis between town and country, and between intellectual and physical labor."

The end of "inequality" within the nation.

Implementation of the principle of distribution according to work.

Increased productivity, taking into account newest achievements of science and technology.

Removing from positions of power former capitalists, landowners, and other elements prominent under the pre-Communist regime.

Full collectivization of agriculture, elimination of the private sector in industry, trade, and the professions.

Continued priority for heavy industry but with relatively greater allowance than before for other sectors of the economy.

Improved standard of living; higher educational levels.

To change attitude of people toward regime, to inculcate in them a positive desire to support regime aims.

Measures, where necessary, to bring these classes into line, to active support for regime goals.

Eventual organization of agriculture along the lines of industry; gradual elimination of differences between three remaining "classes"; raising material level of countryside to level of urban areas.

Elimination of minority problems and other "inequalities."

Use of material incentive.

More efficient use of labor through more advanced techniques; eventual reduction of working hours.

Most such groups have already been rendered harmless in the satellites.

Collectivization drives, depending on the amount of land already collectivized; moves against remaining "capitalist" elements.

Increased pace of industrialization in many satellites; efforts toward greater economic coordination among bloc countries.

Some improvement of consumer goods production, but low priority because of targets elsewhere; continued effort in education.

Increased efforts at political indoctrination, concentrating especially on younger generation; sustained internal propaganda efforts.

Poland is the most laggard in this regard.

Further amalgamation of agricultural collectives; conversion to wage payments in agriculture; elimination of the private plot. Presupposes more rapid industrialization.

Efforts to force assimilation of minorities and to solve the "Jewish question."

Revision of wage norms in industry and of payment systems in agriculture.

Continued efforts to improve productivity and technology. Attainment of this criterion implies a fairly highly developed technical base in industry.

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The USSR announced in 1956 that it had built "socialism in the main." Moscow said, however, that although it was entering a new stage--that of "building Communism"--it would simultaneously continue to construct a "socialist" society. Not until 1959, at the 21st congress, did the USSR announce the "final victory" of socialism.

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extravagantly unrealistic goals of the "leap." Certain 1959 targets have been revised slightly downward, and local party officials have been criticized for overzealousness in carrying through the recent internal administrative reform.

The over-all design remains, however, and tensions, both within the regime and between the regime and populace, are almost certain to arise between now and 1965. The regime probably believes that a combination of limited concessions, Soviet propaganda, and a strong internal security apparatus will prevent serious expressions of dissidence.

Czechoslovakia

The Czechoslovak party leaders are particularly proud that they avoided the revisionist heresies which in 1956 bred upheavals and impeded progress in other Communist countries. They consider themselves the first highly industrialized country outside the USSR to progress so far in "building socialism." They pride themselves further on the "correct" line of their 11th party congress last May, which announced that collectivization would be completed in three years, that industrial production would continue to advance rapidly, and that attention would be turned to completing the "cultural revolution."

The Czech Second Five-Year Plan (1956-60), which is to be followed by another from 1961 to 1965, was slightly downgraded in the fall of 1958, but otherwise has not been altered as a result of the impetus of the Soviet program.

As party leader Novotny noted on his return this year from the Soviet congress, however, the pace will be stepped up "even more." Particular stress is placed on speeding up "technical development." Strong

pressure is to be exerted on farm cooperatives to "revitalize their production," and on cooperative members to increase cooperative production and pay less heed to "private" plots.

In the next few years, such pressure on the peasants is likely to heighten tensions in the countryside; tension in the urban industrial centers is already a serious problem. The regime, however, appears to be aware of the dangers inherent in the popular attitude, and is prepared to adopt such concessions as the recent price reductions to counteract this. In addition it probably counts on the comparatively high standard of living and the traditional passivity of the Czechs.

East Germany

Among the satellites, only in East Germany is there any question of the regime's internal stability. Although party chief Ulbricht has eliminated his most serious rivals and enjoys the firm support of Khrushchev and the backing of 20 Soviet divisions, the regime's basic instability is demonstrated by the disaffection of the intellectuals and professional classes, and the chronic malaise of the workers and the populace in general as revealed by continuing flights to the West. Indeed this instability appears at least in part to have been a factor in Moscow's decision to make an issue of Berlin.

At its fifth party congress last July, East Germany adopted the goal of equaling West Germany's standard of living by the end of 1961. It was also announced that East Germany is to complete the "building of socialism" by the end of 1965, at the close of its current Seven-Year Plan. In response to the Soviet Seven-Year Plan and the 21st party congress, the East German leaders have demanded considerably increased efforts to meet these goals.

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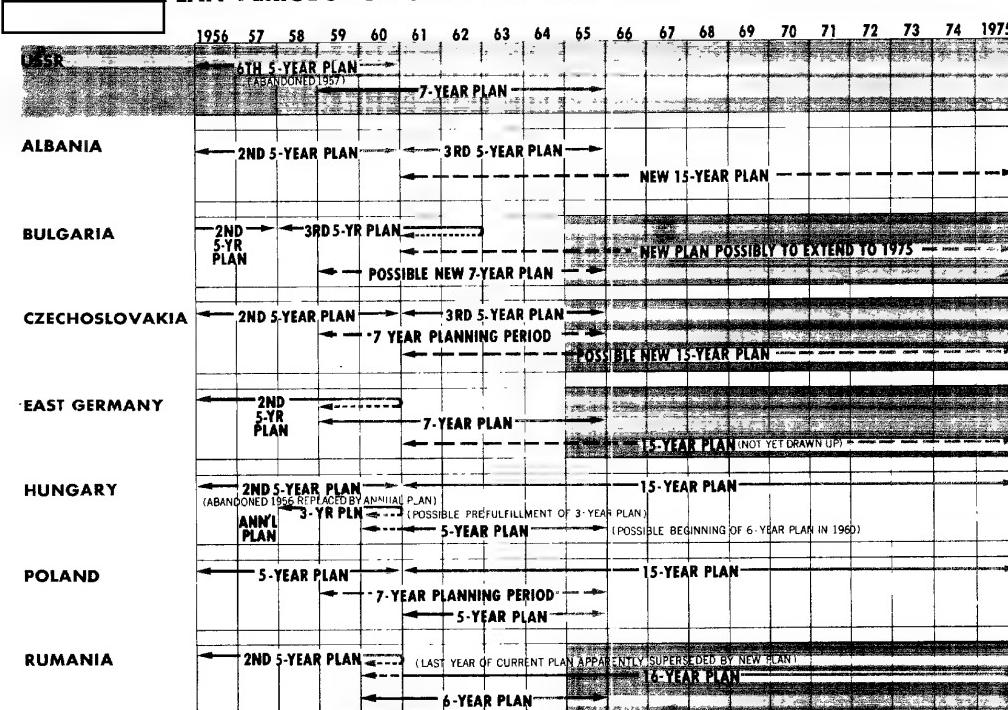
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PLAN PERIODS FOR USSR AND EAST EUROPEAN SATELLITES



Bulgaria, Czechoslovakia, East Germany, and Rumania have declared they will "complete the building of socialism in essential lines" by 1965.

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As in some of the other satellites, certain hard-line elements in the East German party have found in the Chinese Communist program additional inspiration for demanding an accelerated pace of socialist development in their own country. There have been recent indications, however, that the party leaders anticipate that their program will exacerbate existing strains with the workers. Most recently, the regime has been attempting to counteract this with a series of wage increases.

Rumania

Although an unusually intense campaign has been waged since mid-1958 against corrupt and unreliable elements, the Rumanian regime appears generally stable. Moscow was sufficiently confident to withdraw Soviet troops from Rumania in 1958,

and party leader Gheorghiu-Dej, who has eliminated any potentially serious rivals for power, appears assured of his position.

On his return from the Soviet party congress, Gheorghiu-Dej announced Rumania's role in the bloc's political and economic surge forward. Although not attempting a "leap," he stated, Rumania would draw up a new 15-year plan, the first phase of which would cover the years 1960-65--thus implying that the present plan (1956-60) would be cut short by a year. The socialization of agriculture would be completed in 1965, and at that time Rumania would "achieve the building of socialism in broad lines" and "would pass over to a new stage." Thus the guidelines for the next few years indicate an accelerated pace of production both in industry and agriculture.

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In preparation for the agricultural collectivization goals, the regime decreed in March the expropriation, with some compensation, of all land not worked by owners as well as uncultivated and unregistered land. Leasing of agricultural land, sharecropping, and the hiring of agricultural labor were declared illegal.

Bucharest may anticipate difficulties with the Rumanian people as a result of the accelerated program, but probably feels that those elements of the population most likely to cause trouble have been intimidated during the past year.

Albania

The Stalinist duumvirate of Enver Hoxha and Mehmet Shehu continues to maintain its firm rule in Albania. No undue effects were felt from the post-Stalin "thaw," and the party's rank and file appears firmly in line.

Like the other satellites, however, Albania is feeling the effect of the Soviet 21st party congress. The Second Five-Year Plan (1956-60), to be followed by a third (1961-65), will remain in effect, but a central committee plenum held in February on Hoxha's return from the Soviet congress decided on tasks "regarding acceleration in the efforts for further developing our people's economy," and on certain "amendments" to the current plan. Speaking of these decisions in March, party leader Hoxha referred to the Soviet theses which "encourage us to double our efforts to implement tasks in the best possible way and to fulfill and overfulfill the state plan."

Albania hopes for a 26-percent increase in agricultural production in 1959. Having already achieved considerable progress in collectivization, the regime has begun an amalgama-

tion program similar to that undertaken by Bulgaria. Nationwide "socialist competitions" have been started in order to fulfill this year's plan, and the voluntary labor program for regime officials is continuing.

Hungary

Following the 1956 uprising, the Kadar regime developed the strength of its party and security apparatus to the point where it felt confident enough to stage general elections last fall and to schedule a party congress for late 1959. Anticipating the Soviet party congress, the party leaders decided in December that conditions were "ripe for a more rapid development of the producer cooperative movement," and in the next two months the amount of collectivized land was doubled. The year 1965 has been set as the target for completing the socialization of agriculture.

In March the party central committee went further and decided that "the prerequisites for the accelerated building of socialism have been created in Hungary" and that, in honor of the forthcoming party congress, an attempt would be made to fulfill this year the basic tasks of the Three-Year Plan (1958-60). The party leaders stressed that the accelerated pace had been influenced by the decisions of the Soviet congress, and that Hungary "must work more actively to fall in line with the most economically developed countries of the socialist camp." The collectivization drive tapered off in March, and, despite local incidents, was achieved without serious resistance from the peasantry.

The declared goals for collectivization, however, mean sustained pressure on the peasants for the next few years. Moreover, the new accelerated pace in industry is to entail an expansion of "socialist

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"competition" and the creation of workers' brigades. While the regime is not unaware of the possible results of such pressure on the population, it can point to Khrushchev's declaration that in the event of another popular eruption, Soviet forces would not hesitate to intervene once more. This statement also helps to submerge factionalism, which has by no means been eliminated from the party leadership.

Poland

Moscow does not appear at the moment to be seriously concerned about the stability of the Polish regime. Gomulka emerged from his recent party congress with his personal authority in the party considerably strengthened and organized opposition eliminated.

The Polish congress made clear that the country is to continue its economic policies, which are, on the whole, rational, with only modest goals set for well-balanced economic development, in contrast to those of the other satellites. Although the socialization of agriculture remains the eventual goal, raising agricultural production continues to take precedence over progress in collectivization, and party enthusiasts were warned at the congress not to violate the "voluntary principle."

During the planned period for 1959-60 and the subsequent Five-Year Plan (1961-65), the emphasis has been shifted slightly, compared with the draft directives of October 1958, to output of producer rather than

consumer goods. However, the regime's interest in improving living standards remains. Poland's plan--the first segment of a 15-year plan (1961-75)--has been coordinated in many respects with the bloc. Nevertheless, in contrast to developments in the other satellites, there is no evidence of any additional economic effort as a result of the Soviet congress.

Poland's leaders refused last fall to accede to pressure from Stalinists in the party for raising investments and pressing collectivization, arguing that the present effort was the best Poland could do at the moment without risking further "Poznans." Pressures from Moscow, both direct and indirect, for Poland to conform with bloc internal policies, particularly with respect to collectivization, are likely to increase in the years ahead. As in the past, however, Moscow is limited in the amount of pressure it can apply to Poland without risking an upheaval.

If limited pressure is insufficient, moreover, to bring about a change, Gomulka's differing internal policies will probably have an important divisive effect on the other satellites. Although bloc delegates to the Polish congress officially expressed approval of Gomulka's internal course, Poland was criticized privately for its domestic unorthodoxy; some bloc delegates even compared its agricultural policies to those of Yugoslavia.

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